



JOHN ELIAS BALDACCI
GOVERNOR

STATE OF MAINE
DEPARTMENT OF CONSERVATION
22 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0022

PATRICK K. MCGOWAN
COMMISSIONER

Memorandum

To: Commission Members
From: Marcia Spencer Famous, Senior Planner
Date: March 27, 2006
Subject: Comprehensive Land Use Plan Discussion Series
Panel Presentation on Windpower Development (II)
Staff Presentation on Draft Windpower Siting Guidance

Panel presentations

A panel discussion of various aspects of windpower energy generation development in Maine will be presented, covering various aspects of:

- (1) Wind energy power production as a part of the State's energy mix
- (2) Transmission and interconnection
- (3) Financing in the world of wind power energy generation, tax incentives, etc.
- (4) State-of-the-art windpower technology

The panel will consist of four speakers, including Beth Nagusky (Director, Maine's Office of Energy Independence and Security), Kurt Adams (Director, Maine Public Utilities Commission), William Harwood (Verrill Dana, LLC), and Robert Grace (Sustainable Energy Advantage, LLC and the New England Wind Forum). Each panelist will do a short presentation, followed by a question and answer period.

Beth Nagusky, Director, Maine Office of Energy Independence and Security(OEIS): Ms. Nagusky will discuss the state energy policy and how wind fits into it. [The Energy Resources Council's 2005 and 2006 *Work Plans and Reports to Legislature* are attached for reference.]

Kurt Adams, Maine Public Utilities Commission (PUC): Mr. Adams will discuss various aspects of transmission and interconnection from the perspective of the PUC, and wind energy power generation.

William Harwood, Verrill Dana, LLC: Mr. Harwood will present an overview of interconnection agreements governing the terms and conditions of interconnecting utilities and generators. The presentation will include a discussion of rates charged to generators by utilities

for electricity used at the generating station when the generator is not generating electricity; and PUC regulation of generators that act as a Competitive Electricity Provider (CEP).

Robert Grace, Sustainable Energy Advantage, LLC: Mr. Grace will discuss the financing of wind energy power generation development, and the current technology used by developers. His presentation will address such topics as how wind projects are financed, abandonment and decommissioning, tax incentives, and the potential for siting windfarms in low areas vs. on ridgelines. Mr. Grace will conclude with a brief overview of the New England Wind Forum as a source for further objective information.

Staff presentations

Staff will present a discussion on the draft siting guidance jointly developed by LURC, DEP, OEIS, and PUC. The discussion will finish with an update on the progress of the windpower/wildlife stakeholder group established by Maine Audubon.

Fred Todd: The Commission's Comprehensive Plan has as one of its many objectives to "conduct a comprehensive study of where they [wind power facilities] are most and least appropriate, or perhaps a broader study to identify high mountain resources with particularly high resource values which are not appropriate for most development. The Commission believes such a study is best conducted as part of a statewide effort." (CLUP, p. 59). To pursue this objective, the staff initiated discussions with DEP and the Governor's office over the past couple of years. As a result of these discussions, the staff of these agencies has prepared a draft guidance document describing the factors considered by either LURC or DEP in reviewing wind power developments. At the upcoming Commission meeting we would like to get your feedback on both the content of this guidance and the means to codify this guidance.

Marcia Spencer Famous: A brief update will be provided on the stakeholder workgroup assembled by Maine Audubon, which has been developing avian and bat monitoring protocols for windpower development, discussing the extent of wildlife studies that should be required, and developing wildlife habitat siting guidance. Various state and federal agency representatives, including OEIS, LURC, DEP, MDIFW and USFWS, have been attending the workgroup meetings in an advisory capacity since the summer of 2005. The workgroup that is developing the guidance includes representatives from the wind energy industry, several environmental groups, and others.

Enc: Draft Windpower Siting Guidance
Energy Resources Council 2005 and 2006 Work Plans